



SENATOR BOB DUFF
Norwalk & Darien
Assistant Majority Leader

Chair
Banks
Vice Chair
Transportation • Energy & Technology
Member
Appropriations
Appropriations Subcommittee Chair
Results-Based Accountability
Conservation & Development

Testimony by Senator Bob Duff
PROPOSED BILL 303, AN ACT CONCERNING REAL ESTATE APPRAISERS
Thursday, February 5, 2009

To: The Hon. Tom Colapietro, Co-Chairman, The Hon. Jim Shapiro, Co-Chairman,
The Hon. Andrew Maynard, Vice Chairman, The Hon. Joe Taborsak, Vice Chairman,
The Hon. Kevin Witkos, Ranking Member, The Hon. Penny Bacchiochi, Ranking
Member and members of the General Law Committee

I would like to thank the members of the General Law Committee for hearing
PROPOSED BILL 303, AN ACT CONCERNING REAL ESTATE APPRAISERS.

As you know, Connecticut issues real estate appraisal licenses to people who do real estate appraisals on property in Connecticut. Unfortunately, not all real estate appraisers bother to get a license. This bill would require any person who charges a fee for a real estate appraisal performed on property located in this state to hold a valid real estate appraisal license. These appraisers would also be prohibited from sharing a fee with anyone who does not hold a valid real estate appraisal license issued by the Department of Consumer Protection.

We are all aware of the serious consequences of the subprime mortgage market. Many people are losing their homes, the financial markets have lost billions of dollars, and banks' lending capacity has been severely impacted. We have now learned that many of these subprime loans were made by overvaluing real estate property values, allowing homeowners to take out larger loans than they were capable of repaying. By requiring real estate appraisers to be licensed by the Department of Consumer Protection, the state will have some recourse against appraisers who may be hired to inflate property values to allow a larger loan to be issued. It will also prevent the appraiser from sharing his fee with anyone who has an interest in inflating the value of the property in direct conflict with the best interests of the potential buyer.

In order to avoid any future housing crises of the proportion we have seen in this subprime mortgage climate, I respectfully urge the committee to give this legislation every consideration. Thank you for this opportunity and please feel free to contact my office at 240-0414 if you have any questions.